

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF INDIANA  
INDIANAPOLIS DIVISION**

In re:

hhgregg, Inc., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 17-01302-JJG-11

(Jointly Administered)

**APPLICATION OF CENTURYLINK COMMUNICATIONS, LLC  
FOR ALLOWANCE AND PAYMENT OF ADMINISTRATIVE EXPENSE CLAIM  
PURSUANT TO 11 U.S.C. § 503(b)**

CenturyLink Communications, LLC (“CenturyLink”), by and through its undersigned counsel, hereby files this Application (the “Application”) for an order for allowance and payment of its administrative expense claim under 11 U.S.C. § 503(b)(1)(A), in the amount of \$413,130.15. In support of this Application, CenturyLink respectfully states as follows:

**JURISDICTION AND VENUE**

1. This Court has jurisdiction over the Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory basis for the relief requested herein is 11 U.S.C. § 503(b)(1)(A).

**BACKGROUND**

3. On March 6, 2017 (the “Petition Date”), hhgregg, Inc., and certain of its affiliates (the “Debtors”) filed a voluntary petition for relief with this Court under Chapter 11 of the Bankruptcy Code.

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: hhgregg, Inc. (0538); Gregg Appliances, Inc. (9508); and HHG Distributing LLC (5875). The location of the Debtors’ corporate headquarters is 755 W. Carmel Drive, Suite 207, Carmel, IN 46032.

4. The Debtors are operating their businesses and maintaining their assets as debtors-in-possession pursuant to 11 U.S.C. §§ 1107(a) and 1108.

5. Prior to the Petition Date, the Debtors and CenturyLink were parties to several agreements for the provision of IP and data services (collectively the “Agreements”).

6. During the course of the administration of the estate, CenturyLink extended credit to the Debtors by continuing to provide them with IP and data services. CenturyLink invoiced these post-petition services in the ordinary course of business between the parties (the “Invoices”). True and correct copies of the Invoices are attached hereto as Exhibit A and incorporated herein by reference.

7. CenturyLink is owed \$413,130.15 on account of unpaid amounts due under the Invoices for the period of March 6, 2017 through February 7, 2018.

#### **RELIEF REQUESTED**

8. By this Application, CenturyLink requests entry of an order in the form attached hereto as Exhibit B, pursuant to 11 U.S.C. § 503(b)(1)(A), for allowance of and payment to CenturyLink of administrative expenses in the amount of \$413,130.15, representing unpaid post-petition services provided for the period of March 6, 2017 through February 7, 2018.

#### **BASIS FOR RELIEF REQUESTED**

9. Section 503(b)(1) of the Bankruptcy Code provides in relevant part:

(b) After notice and hearing, there shall be allowed, administrative expenses, other than claims allowed under section 502(f) of this title, including—

(1)(A) the actual necessary costs and expenses of preserving the estate. . . .

10. “[A]n administrative claim will be allowed [under Section 503(b)(1)] when the expense (1) arises post-petition; and (2) is beneficial to the Debtor’s estate.” *In re Lease-A-Fleet, Inc.*, 140 B.R. 840, 845 (Bankr. E.D. Pa. 1992).

11. As to the first of these requirements, “[t]o be eligible for administrative expense priority, a post-petition transaction need not involve the exchange of money or formation of a contract. . . . Indeed, a claimant’s performance of a pre-petition contract, and a debtor’s acceptance of that performance, can establish a post-petition transaction.” *In re Goody’s Family Clothing, Inc.*, 401 B.R. 656, 671 (D. Del. 2009) *aff’d sub nom. In re Goody’s Family Clothing Inc.*, 610 F.3d 812 (3d Cir. 2010).

12. Because the Debtors ultimately accepted the benefits of the pre-petition service agreement post-petition, the expenses arose post-petition.

13. Concerning the second requirement, there is no question that the services provided a benefit to the Debtors in the operation of their businesses. CenturyLink provided IP and data services to the Debtors. Given the modern workplace’s dependency on connectivity, the Debtors would not have been able to continue operating without the assistance of CenturyLink.

14. Section 503(b)(1) is intended “to provide an incentive for creditors to continue doing business with a debtor and an incentive for others to engage in business transactions with the debtor.” 4 *Collier on Bankruptcy*, 503.06[3][a] (16<sup>th</sup> ed. 2014). CenturyLink acted in accordance with the policies behind the statute and provided critical support to the Debtors. This support enabled the Debtors to continue their operations by utilizing CenturyLink’s IP and data services. The Court should approve the allowance and immediate payment of CenturyLink’s administrative claims because doing so is consistent with the policy behind Section 503(b)(1).

WHEREFORE, CenturyLink respectfully requests that the Court order the allowance and immediate payment of CenturyLink's administrative expense claim in the amount of \$413,130.15, and grant such other and further relief as this Court may deem just and proper.

Dated: April 27, 2018

/s/Justin O. Sorrell

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**ATTORNEYS FOR CENTURYLINK  
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**CERTIFICATE OF SERVICE**

I hereby certify that on this 27th day of April, 2018, a copy of the foregoing *Application of CenturyLink Communications, LLC for Allowance and Payment of Administrative Expense Claim Pursuant to 11 U.S.C. § 503(b)* was filed electronically. Service of this filing will be made on all ECF-registered counsel by operation of the court's electronic filing system. Parties may access this filing through the court's system. Additionally, a copy of the foregoing was mailed, via First Class U.S. Mail, postage prepaid and properly addressed, to each of the following:

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